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**W A N T E D —**  
**A CONSTRUCTIVE NATIONAL POLICY**

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## WANTED—A. CONSTRUCTIVE NATIONAL POLICY.

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It is a matter of common knowledge among our people that our National Congress enacts our National laws; that our executive officers are sworn to enforce such laws, and that our Supreme Court is sworn to interpret those laws in case of differences. It is likewise a matter of common knowledge that twenty or more years ago our National Congress passed a law that was intended to put barriers in the way of plans that business men were undertaking for the further up-building and extension of trade and commerce in the United States,—plans that, in the judgment of these men, were essential and which would ultimately operate for the greatest good of the greatest number. It is a matter of common knowledge that the enforcement of this law was almost, if not quite, neglected for a number of years, during which period business men were allowed to proceed with their plans. It is a matter of common knowledge that during the last eight or ten years some of our executives, who are sworn and in honor bound to enforce the laws as they find them, have endeavored to enforce this law, and, while doing so, studying its effects and seeing its operation, have openly raised the question as to whether it should not be amended.

While many of our members of Congress have been loudly calling for a literal enforcement of



this law by the executives, our people have been told that what they were suffering from were evil practices by large corporations, and that one of the chief reasons why the practices were evil was because the corporations were very large. At last this question reached our Supreme Court and that Court has held that a company is not necessarily illegal because it is large. Our business men East and West, North and South, in constantly increasing numbers have expressed their opinion that our country cannot prosper and develop as it should while this old law is in existence.

While our executive officers have been in the attitude stated, while our Supreme Court has found as it has, and while our business men are almost unanimous in their position, Congress has refused even to take up a study of the question in such a way as to ascertain whether there is anything good and worth while in the business man's contention. Congress has steadily called for the destruction of our great business enterprises. It has appropriated money to find out what crimes these concerns have committed and what evil practices they have indulged in, but, so far as common knowledge goes, it has not taken one step to ascertain what good these concerns have accomplished and whether or not there is anything of benefit and value in them that should be preserved to the people. Its slogan has seemed to be "Millions for destruction, but not one cent for construction."

Why this strange, inconsistent situation? It seems to me that the reason is found in the men we have sent to our National Congress. Up

to the close of our War of the Rebellion American business men seem to have taken a keen interest in public life and affairs. Merchants were Governors of States, Mayors of Cities, members of State Legislatures and of our National Congress. The close of the war seems to have seen a diminution in this practice and we have seen less and less of such men in the public service; and while many of our public servants in recent years have been broad-minded statesmen, we find our City governments, our Legislatures, our Congress, to a considerable extent composed of men having no business training or experience—men who have made a profession of public life,—men who have sought the job rather than, as in olden times, having been called to take public office as a public duty.

Why this mighty change? Because with the close of that awful war the best minds, the best sinew of this country said, "Now we have settled by two great wars three great fundamental questions, viz., freedom from foreign rule, freedom from slavery, and established the principle that there is to be but one central government in this country, and we are now free to pursue commerce"; and these men, with almost one accord, proceeded to pursue commerce as it never had been pursued before. The whole mighty force that had seen that it must first be free from foreign rule, even if it fought and died for it, and later had seen that it must preserve the Union and throw off the yoke of slavery, even if it fought and died for it, saw the vast commercial possibilities opening up before a free people, in a free land, under one centralized government, and they threw themselves into their new struggle as determinedly as they had done in the others. Inventors vied with one another to



aid in the work; railroads were pushed to the furthestmost points of our land; great business risks were taken; panics of a disastrous and far-reaching nature followed, just as reverses had occurred in the two great wars; but the sons of those warriors knew not defeat and pushed on. If one plan did not succeed, another would. Once given a goal that is honestly worth striving for, American men may die but they will never surrender. Politics, local and national, were turned over to others to handle. The great business period had arrived and it attracted our great master minds as the field offering the greatest obstacles to overcome and the greatest achievements to accomplish. And these men were the sons of the men who threw perfectly good tea into Boston harbor, and broke an old, antiquated law when they did it; the sons of the men who gave freedom to slaves, and broke an old, antiquated law, at least of precedent and practice—when they did that; and they did both in order to make a better law, that would be abreast of a newer civilization and be more just to more people.

After thirty years of this commercial up-building by these giant sons of giant minds, and thirty years of neglect of public duties and questions, these men found themselves with our business world full of master minds and our political world full of politicians. We were at peace with the outside world and among ourselves. By leaps and bounds, with the inventor's help, we were becoming at least a formidable rival in the world's commerce. We were growing rich in ability, in trade, in money. Here our new troubles began. The fabulously

rapid growth of our business staggered the people and, in place of investigating to find the real causes that had brought about such results, our politicians, by the passage of the Sherman Act, declared war on the business methods being adopted by the business men of this country. In the struggle that has been going on both sides have erred, as men have in all wars, but now that our Supreme Court has said that we, as a people, are entitled to proceed in the light of reason, does it not behoove us all to lay down our arms and enter the reconstruction period?

In the heated discussions of late years we have heard a great deal about our Constitution and something of the Declaration of Independence. Both have frequently been referred to by politicians who have felt it their duty to constantly remind the people of their rights under these two historic documents and call attention to the high moral purposes of the men who drafted them.

The very first clause of the Declaration of Independence proclaims: "When in the course of human events it becomes necessary," &c.

The very first clause of the Constitution proclaims: "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do," &c.

In an address I made at Atlanta, Ga., before the Southern Commercial Congress last Spring I think I pointed out the reasons why the business men of the United States have been compelled to abandon competitive methods and adopt co-operative ones. It was purely a case of "when, in the course of



human events, it becomes necessary" because in the course of human events the inventor, by his work in the past half century, has placed in the hands of all the people such an amount of space-annihilating machinery as to nullify distance, wipe out State lines, and draw the people, not only of this country, but of the world, so closely together that old-fashioned, cut-throat, competitive methods mean death and destruction to trade. Keenly realizing this, what was more natural than for the descendants of the men who drew our Constitution to endeavor to follow the example of their forefathers and introduce into commercial affairs the same principles that were promulgated in the adoption of our Constitution? For what more have our business leaders done than to declare that "we, the business men of the United States, in order to form a more perfect union, establish justice, insure trade tranquility, provide for the common commercial defence, promote the general welfare, and secure the blessings of co-operation to ourselves and our posterity, do declare that ruthless competitive methods are no longer for the best good of the greatest number and must, therefore, be abandoned."

While the master minds of commerce have seen this and have been working tooth and nail for it, they have been so sure that they were right and that the country's best present and ultimate interests would be served by such a course, that they have utterly failed to realize that the laws of our land were made to fit old conditions,—conditions that existed in naturally competitive times; and in place of stopping the work of commercial up-building along these new and original lines long enough to inform the people as to what they were aiming at,—long



enough to have an intelligent and full discussion of the reasons for the mighty change, and in this way secure a change in the laws, they forged ahead with their projects, feeling sure they were right and relying on the intelligence of our legislative bodies to do the constructive thing in the end. This was a mistake, and it has put our business leaders in the attitude of apparently breaking and defying the laws of the land.

The time has now come when we are obliged to stop and fight the question out. The question clearly is, "Shall American business men be driven back and forced to continue under old, ruthless, competitive methods, or shall they be allowed to go forward, keeping pace with the spirit of progress, and secure for one and all the many advantages and benefits that come from doing business on a co-operative basis?"

Our very Constitution starts with the declaration: "We, the people of the United States, in order to form a more perfect union." The central thought of those men at that time was to effect a consolidation; to organize a holding company with 13 subsidiary companies; to create a monopoly in government in this country,—and they said they did it to "establish justice, insure domestic tranquillity, provide for the common defence and promote the general welfare." From that day to this, when any new government in this country set itself up as such and grew strong enough to be recognized as such, the original holding company took it over, absorbed it, and put it out of business as an independent government. It still had the right to retain its local self-government, but it had to swear

allegiance to the holding company and be loyal to the officers and policies of said holding company.

After this holding company had been in existence for some time and had taken over a great many subsidiary companies, a difference arose and some of the subsidiary companies declared that they had the right to withdraw and were going to withdraw, to set up a government of their own. The holding company said they could not withdraw, and a mighty war followed, in which the subsidiary companies, who tried to withdraw from the holding company, were forced to surrender and remain in the holding company.

This is what happened during the development and growth of the statesmanship policy of our people. These various States have been welded together in one vast consolidation for the common advantage and good. There was a fight, a desperate struggle over the proposition at one stage of its progress, but latterly every one has recognized the wisdom of the scheme and there has been no question of a struggle or a fight. We settled the question as to whether we should have one great holding company in the statesmanship of this country, or break up into half a hundred independent companies, each with the right to compete with and fight the other. As each new subsidiary has come into existence it has asked for admission to the holding company and been absorbed.

Almost an exact parallel has occurred in the development of our great corporations. At first the idea of a holding company,—of a great corporation that supervised, with advice and counsel, the smaller and perhaps weaker concerns, was con-

sidered so novel as to be almost revolutionary and unsafe. In bringing some of these holding companies into existence fights and battles took place. We are told that some subsidiary companies were forced to join the holding company; but latterly, especially in very recent years, that spirit has passed away. The small company has been seeking admission to the large company, realizing that its best interests lay in such an arrangement.

There is no question but that evil practices have been indulged in, in corporate life. Men have done things they should not have done, and it is the duty of State and Federal Government officials to investigate and find out what these evil practices are, that they may be eradicated.

On the other hand, scarcely a man in public life has had the courage to say even a word by way of excuse for the existence of large business concerns, and so a plain business man may perhaps be excused for saying that there are at least a few, just a few, self-evident advantages that could be urged as excuses for the existence of some of our so-called trusts, and which might be fair questions for investigation by our politicians. For instance, a Congressional Committee might find it of advantage to the people to inquire:

*First:* Has the cost of articles made by the so-called trusts increased or decreased?

*Second:* Have wages increased or decreased?

*Third:* Has labor been more steadily employed and better housed,—more generally employed and better satisfied?



*Fourth:* Have there been fewer failures in the lines of business involved?

*Fifth:* Have the so-called trusts increased or decreased our foreign trade balances?

*Sixth:* Have the so-called trusts devised ways and means and provided the capital for saving and utilizing waste products, which could not have been done by smaller concerns?

*Seventh:* Is the tendency to have the ownership of these large companies and the profits made by them enjoyed by a few men or by many men? Is the tendency to have these corporations in the future create, by their profits, large fortunes for a few men, as was the case in partnerships under competitive methods, or is the tendency to distribute such profits more generally among the people? I say it might not be a waste of the public's money to investigate such fundamental questions as these, and if, by some rare chance, it should be found that they could be answered favorably, then the public might like to inquire whether our public servants could not find some way to preserve these advantages to the public, rather than to destroy them.

At the present moment, while the Attorney-General is enforcing the laws of Congress (as he is in honor bound to do) and is proceeding to actually dissolve large business concerns, he is at the same time publicly calling on the country to discuss the question of whether or not ruthless competition has not had its day and the time arrived for us to find some other and more co-operative principle of business on which to proceed.

The spirit of co-operation is not only breathed throughout our Declaration of Independence and written in our Constitution, and latterly made imperative in business through the great discoveries and practical work of our inventors, but it permeates everywhere. Only week before last one of the most influential Boards of Home Missions of one of the strongest Protestant churches in this country had the proposition submitted at a meeting of making an appropriation to establish a church in an outlying district. Accompanying the report was a statement as to the population and the wealth of the district and the information that a church of another Protestant denomination was already established there. After some discussion this powerful and influential Board deliberately voted that it would not appropriate money to establish a church of its denomination at that point because there already existed there a Protestant church of another denomination, and said church was able to properly minister to the spiritual needs of the population of that community, and further church building in that community by Protestant denominations would be unnecessary and wasteful. Here is a body of Christian men deliberately refusing to compete and as deliberately voting to co-operate.

The civilized world is witnessing the spectacle of our holding an extra session of Congress to enact a policy of reciprocity; of our negotiating peace treaties with European powers, and at the same time of our Congress calling loudly on our Attorney-General to force our business men to adopt ruthless, competitive methods. In other words, it seems that we can have a consolidation of States;

we can have treaties for peace with foreign powers; we can have reciprocity with our neighbors; we can have church unity; but it is unlawful, unholy, to have peace in the business world. Has the height of inconsistency at last been reached?

Congress has ignored every suggestion by Roosevelt, by Taft, by Wickersham—yes, even by some of its own members—looking toward any method that would preserve any good there is, any benefit or advantage there is to the people in large business undertakings, and has seemed content to let the country drift toward business chaos.

What has given us the sweat shop? Competition.

What has given us child labor? Competition.

What throws labor out of employment? Competition.

What causes low wages? Competition.

What brings panic and failure? Competition.

And what is our Congress at this moment calling loudly on our Attorney-General to enforce, even to the door of the jail? Competition.

The Congressman who stands for a literal enforcement of the Sherman Act stands for the sweat shop and child labor.

Competition produces the two extremes,—millionaires and paupers; while co-operation looks toward more stable conditions and a more equal distribution of wealth.

This blessed country of ours is suffering from a deluge of politicians and a dearth of statesmen. We must give better men to our public life. We business men have been at fault in many things but in none more than in our almost utter neglect of our public duties. We have been so busy,—oppor-



tunities for great achievements have crowded so hard upon one another, that we have said, "Oh, do not bother us about politics; there are plenty of 'others' who will attend to that"; and the result is that plenty of "others" have attended to it,—and here we are.

The promised land is ours, but what we want at the moment is a Moses to lead us out of the wilderness.

The Sherman Act was passed without any general public discussion. Some members of Congress at that time saw certain tendencies; they did not stop to investigate the causes of those tendencies but thought they could stop them by legislation. What they should have done, to accomplish their desires, was to pass laws against certain inventions that were forcing concentration of people and things; but they did not do that, and concentration has gone on apace. For an all-important piece of legislation, the Sherman Act was discussed less before and more after its passage than any law ever enacted. If the question of passing the Sherman law as it stands were up to-day and were left to a popular vote, and a campaign of education, pro and con, carried out, it never in the world would be enacted. In a multitude of counsel there is wisdom, as well in business as in statesmanship.

If, during the years since the Sherman Law was passed, American business men had literally followed a competitive policy, does any student of affairs pretend to the belief that our people as a whole would be as well off to-day as they are? Gen-

eral net results are the touch-stones in every undertaking.

There is more than one kind of a revolution. We are accustomed to think only of revolutions at arms; and whoever heard of a people going on, after a successful revolution, under the old conditions that existed before the revolution? If so, of what earthly use would have been the revolution? During the last quarter of a century particularly, inventors have wrought a mighty revolution in the machinery and methods by which business is transacted. No revolution at arms ever wrought more radical changes. How long is it going to take us to wake up to this fact and govern ourselves accordingly? It is as important to discard out-of-date mental processes as out-of-date material machinery. We have prided ourselves on consigning antiquated material machinery to the junk heap. Have we the courage to do the same thing with a lot of our antiquated mental machinery?

Our National Government first undertook the supervision of our States; then it undertook the supervision of our banks; then it undertook the supervision of our railroads. Why not at least try to undertake the supervision of our big business concerns before we smash them to pieces? "Why not try to regulate before we strangle?"

The strong light of publicity constantly shines on our Chief Executive, and it is powerful enough to protect the people against any serious abuse of the great powers conferred upon him. Adopt the same methods with our large business concerns, and who knows but that the results will be eminently satisfactory.

The very universe teaches us regulation, supervision and control by one great central power. Every thoughtful student of affairs knows that for commercial purposes our State lines have been obliterated. Indeed, National lines have almost been obliterated. What the situation imperatively requires is a constructive national policy in commercial affairs. Any man who is above petty prejudice and political party lines knows, deep down in his mind, that what this country needs to-day is Nationalism, and we will have this when we have more statesmanlike representatives in our Congress. Individualism must be preserved, but rather through emulation in collective effort than through competition by individual effort.

Stupendous things have been happening in the last ten years, but one sometimes trembles at the thought of what may happen in the next ten years. Think of the time, the momentum, that have already been lost to this country because of the lack of a constructive statesmanship in business affairs.

There never was and is not now, anywhere on the face of the globe, under one flag, so many able, resourceful, executive, patriotic business men of middle life as we have right here in these United States to-day; but they are like so many blooded animals, chafing at the bit and checked up until their necks ache.

Go where you will, on any train, in any hotel, to any conference or meeting, through any factory or counting room, and you are impressed with the large percentage of clear-eyed, alert young business men who are training for the future,—eager for the conquest of the commerce of the world,—a



conquest that they know they can achieve by co-operation but fail to achieve if they must ruthlessly compete with one another.

Out here in this great Central West, with its broad, fertile fields and its towering mountains, the country looks for that breadth of thought and lofty purpose that will carry it on to even greater accomplishments than it has yet achieved. New York is a result, not a cause. There we live on brick pavements, in canyons of steel and mortar. Out here in the West you have time to think. The great Central West is constantly thinking and working out our problems. New York is made up of men who have successfully thought out and worked out some problem and been drawn to New York to execute it.

Give your minds a chance. Awake to the situation that confronts the country. Take sides and discuss it. Next to being dead right it is of value to be dead wrong, for if very wrong you provoke discussion, and enough discussion will bring right to the surface and make it prevail. A business age needs business men. The question is fairly launched. In the discussion of it and in helping to solve it the United States expects every man to do his duty. Is it not clear that what we need is a constructive National policy in the matter of business?